



Stage 1: Eligibility

The first stage of the process involves consideration of the application by the Department of Health and Ageing to determine its eligibility for assessment. The principal eligibility criterion is whether the service meets the conditions for funding under Medicare Benefits Schedule (MBS) arrangements. To meet this criterion, the proposed service must constitute a clinically relevant professional service within the meaning of the *Health Insurance Act 1973*. Any relevant approval from the Therapeutic Goods Administration (TGA) is also confirmed at this stage.

Stage 2: Assessment

If an application is considered eligible, and an assessment by MSAC is determined to constitute an efficient and effective use of Commonwealth resources, it moves to the assessment stage. The Department then contracts the services of an independent evaluator to conduct an evidence-based assessment. The evaluators initially develop an evaluation protocol and then prepare a report assessing the evidence of the safety, effectiveness and cost-effectiveness of the new technology or procedure. MSAC appoints an expert Advisory Panel to ensure that the assessment draws valid conclusions from the available evidence. Members of the Advisory Panel are drawn from relevant medical colleges and other bodies with expertise relevant to the technology being assessed. The applicant is invited to comment on the draft assessment protocol and draft report prior to consideration by MSAC.

Stage 3: Advice to the Minister

In formulating advice to the Minister, the MSAC considers a wide range of information, including the report assessing the evidence, any feedback on the report provided by the applicant or other relevant parties, as well as drawing on the individual expertise of MSAC members. MSAC then prepares advice to the Minister on the strength of the evidence in relation to the safety, effectiveness and cost-effectiveness of the new technology or procedure and on the circumstances under which public funding should be supported. Where the evidence is inconclusive, but MSAC concludes that the service is likely to be safer, more effective, and more cost-effective than currently funded services, MSAC may advise the Minister that interim funding to enable data collection and further evaluation may be appropriate.

Stage 4: Decision

The Minister for Health and Ageing notes MSAC's advice and authorises the Department to conduct further consultation leading to policy advice on which the Minister may make a fully informed decision in relation to public funding.

Stage 5: Implementation

Once a Government decision has been made to provide public funding to a new service, the necessary changes are made to the Medicare Benefits Schedule that describe the service and the fee on which Medicare benefits will be based.